



Australian Government

Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2015-16

Fiji

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KEY MESSAGES

In 2015-16, Australia's aid program in Fiji demonstrated good overall performance against the objectives of supporting private sector development and human development, despite the devastation and disruption caused by Tropical Cyclone (TC) Winston in February 2016. Australia's swift and comprehensive response to TC Winston included the provision of immediate humanitarian relief to over 200,000 people. Total Australian aid to Fiji in 2015-16 was \$78.7 million. This included \$50.3 million in bilateral flows, \$19 million of which was provided for TC Winston relief efforts and to support Fiji's longer term recovery. Regional and global programs managed by DFAT totalled \$25.9 million and \$2.5 million was managed by other government departments.

In 2015-16, the aid program continued its reorientation towards working directly with Fiji government agencies to support the development of economic policies, improve public sector capacity and deliver health and education services to the people of Fiji. We established new relationships with seven Fiji Government Ministries and agencies, bringing the total number of Ministries and agencies with which the program works to 25.

Australia's aid program in 2015-16 consolidated the gains that have previously been made in the health and education sectors, and continued to transfer responsibilities to relevant Ministries. This included strengthening government information management systems to improve planning, budgeting and service delivery. However, following the damage or destruction of almost 500 schools from TC Winston, including 43 of 85 schools supported by the program, and a number of medical facilities, staff and resources were diverted to respond to the immediate needs of affected populations. As a result, it was not possible for some elements of the program to achieve the outcomes that had been expected.

The aid program also saw further increases in our assistance to private sector development and governance activities. Our support to the Fiji Parliament has improved its capacity for both general public outreach and research and analysis. Australia also continued to help more men and women earn cash-based incomes through market development, women's economic empowerment and targeted aid-for-trade investments.


The aid program also strengthened efforts to promote gender equality and expand opportunities for people with disabilities. In 2015-16, we implemented a number of activities to advance women's leadership and empowerment, including training journalists on domestic violence to ensure appropriate and adequate media reporting. Disability inclusive design principles will inform the rebuilding of schools, health facilities and market places damaged by TC Winston. The aid program has also taken a more comprehensive approach to addressing gender equality and disability in other sectors; although there is still a need to more consistently collect sex and disability disaggregated data.

A key priority for 2016-17 and beyond will be supporting Fiji's longer-term recovery and reconstruction effort from TC Winston by allocating the remaining \$16 million of the \$35 million assistance package announced by the Australian Government. The Government of Fiji is expected to release its 5-year and 10-year National Development Plans by the end of 2016, providing the opportunity for Australia and Fiji to identify aid objectives, targets and mutual obligations with a view to finalising an Aid Partnership.

CONTEXT

Australia and Fiji share an enduring bilateral relationship, underpinned by strong people-to-people links and long-standing trade and investment ties. A stable and prosperous Fiji that is an active member of the Pacific community is in Australia's national interest. Australia is Fiji's largest donor, accounting for approximately half of all Official Development Assistance (ODA).

2015-16 was a year of two halves for Fiji. The first half was characterised by progress in bedding down core democratic functions and improving public sector capacity. Parliament demonstrated an increasing confidence and robustness in procedures and debate. In February, Fiji appointed 17 new Permanent Secretaries to head government ministries, improving stability within the public service.



However, in February Fiji was hit by its strongest cyclone ever recorded. TC Winston caused 44 deaths and affected almost two-thirds of Fiji's population. The disaster is estimated to have caused \$1.3 billion worth of damage, equal to almost 20 per cent of GDP.¹ A state of emergency was put in place until 19 April and the Government of Fiji demonstrated strong leadership in coordinating the extensive relief effort.

The fundamentals of Fiji's economy remain sound. In 2015, GDP grew by 4.2 per cent - the seventh consecutive year of growth. Following TC Winston growth has been revised down from 3.5 per cent to 2.4 per cent for 2016 and the government estimates that it will take ten years for production to return to pre-cyclone levels.² While public debt has increased to finance reconstruction, the International Monetary Fund assesses it to be at manageable levels.

Tourism remains Fiji's main source of foreign exchange and visitor numbers grow steadily each year, reaching 750,000 in 2015 – a new record. Australia remains Fiji's largest tourism market, accounting for 49 per cent of visitor arrivals in 2015. Tourist arrivals from January to June 2016 were higher than during the same period in 2015 indicating that TC Winston has not dampened demand. The agricultural sector is a different story. It has been in long-term decline, particularly due to changing trade preferences for sugar, and TC Winston caused significant damage to crops and farming infrastructure. In 2016, the agricultural sector is expected to contract by 11 per cent.³

To support growth, the Government of Fiji continues to invest in infrastructure and implement structural reforms, including state owned enterprise reform, public sector reform and streamlining business and investment regulations. Deepening external trade remains a government priority, with Fiji participating in PACER Plus trade negotiations and the recently finalised Melanesian Free Trade Agreement. Fiji was ranked 88 out of 189 countries in the World Bank's Doing Business Index in 2016. Starting a business is a particular area that needs improvement (it takes 58 days in Fiji compared to the Asia-Pacific average of 26 days).⁴

In 2015-16, the Government of Fiji continued to invest in social policy measures to ensure equitable development across regions and socio-economic groups. These included fee-free primary and secondary education, free medicines for low income families, road infrastructure upgrades in rural areas and electricity and water subsidies for the poor.

Fiji's solid economic performance and increasingly progressive social policies have contributed towards Fiji's development, with the Government reporting a decline in the poverty rate from 35 per cent in 2008 to 28 per cent in 2014.⁵ Fiji achieved two Millennium Development Goals (environmental sustainability and universal primary education) and made progress in the others. Maternal mortality rates have fallen from 89/100,000 live births in 1990 to 29 in 2015; and infant mortality rates dropped from 30/1,000 live births in 1990 to 13 in 2015. Most households (87 per cent) now have access to sanitation (2012), up from 57 per cent (1990)⁶; and the rural road network has improved. Fiji Prime Minister Frank Bainimarama has pledged Fiji's full support for the adoption of the 2030 Agenda for Sustainable Development.

Despite this progress, significant poverty reduction challenges remain. Unemployment is high, particularly among young people, and the decline of the sugar industry and other agricultural sectors is hurting rural communities. Consequently, rural to urban migration continues at pace. Despite improvements in children attending school, the academic performance of students in remote rural areas is poor when compared to national averages, and appropriate educational opportunities for children with disabilities are limited.

Gender inequality presents an ongoing challenge to development in Fiji. Rates of violence against women and girls in Fiji are among the highest in the world: 64 per cent of women who have been in an intimate

¹ Government of Fiji, World Bank, Post Disaster Needs Assessment, May 2016

² Government of Fiji, Supplementary Budget 2016-17

³ Ibid

⁴ <http://www.doingbusiness.org/data/exploreeconomies/fiji/>

⁵ Fiji Bureau of Statistics, 2013-14 Household Income and Expenditure Survey [<http://www.statsfiji.gov.fj/statistics/population-censuses-and-surveys>]

⁶ www.asia-pacific.undp.org/content/.../mdg/RBAP-RMDG-Report-2014-2015.pdf (page 72)

relationship have experienced physical and / or sexual violence by a husband or intimate partner in their lifetime.⁷ Women's participation in the labour force is about half that of men. Structural and cultural barriers that continue to marginalise women and constrain their capacity to influence and control various aspects of their lives include access to resources such as finance, agricultural inputs, and property as well as access to education and health services (including sexual and reproductive health), secure housing and employment.

Like many countries, Fiji experiences the "triple burden of disease" – the "unfinished business" of communicable disease and reproductive health; an increasingly severe burden of non-communicable diseases (NCDs), some of which are exacerbating and increasing communicable diseases (for example tuberculosis in diabetes patients); and emerging risks from new diseases and environmental change.

EXPENDITURE

Table 1: Total ODA Expenditure in FY 2015-16

Objective	A\$ million	% of total ODA
Bilateral		
Objective 1: Private sector development	7.7	9.9
Objective 2: Human development	15.2	19.3
Objective 3: Tropical Cyclone Winston recovery	19	24.2
Gender	3.6	4.6
Scholarships	4.8	6
Sub-Total Bilateral	50.3	64
Regional and Global	25.9	33
Other Government Departments	2.5	3
Total ODA Expenditure	78.7	100

PROGRESS TOWARDS OBJECTIVES

Prior to Fiji's 2014 elections, Australia's aid was primarily directed to, and delivered by, community groups and non-government organisations; but since then the aid program has been reoriented towards working directly with Fiji government ministries, agencies, and the Fiji Parliament. In 2015-16, nine Australian government agencies worked closely with their counterparts in Fiji, broadening and deepening the bilateral relationship.

2015-16 saw an expansion of activities to support gender equality, private sector development and good governance, with advisory support provided to the Government of Fiji to assist with sensitive economic and public sector reforms as well as progress Fiji's National Gender Policy. The aid program continued to transfer responsibilities for health and education programs to relevant Ministries to ensure key activities will continue when individual programs end.

The Australian Government responded to the devastation caused by TC Winston with the rapid deployment of one of Australia's largest overseas humanitarian operations. Inevitably, the destruction caused by TC Winston and the need to develop and deploy such a large humanitarian relief program in a short space of time adversely affected the bilateral aid program. Staff and resources supporting the bilateral program were diverted to develop and deliver Australia's emergency response. Over time, individual programs adjusted to the new challenges presented by the cyclone.

Despite the enormous challenges caused by TC Winston, the Fiji program was able to maintain progress as expected in the support of Increased Private Sector Development. The speed and effectiveness of the

⁷ Fiji Women's Crisis Centre 2013. *Somebody's Life, Everybody's Business!* National Research on Women's Health and Life Experiences in Fiji (2010/2011): A survey exploring the prevalence, incidence and attitudes to intimate partner violence in Fiji

program's response to the needs generated by TC Winston also means the program has been assessed positively for its initiation response to this new priority.

The widespread damage to schools and medical facilities did, however, disrupt existing programs while Ministries and workers concentrated on meeting the immediate needs of their families and neighbours. This meant that some elements of the program were not able to achieve the progress that had been expected at the start of the period. As a result, the program's second objective of Improved Human Development has been given an amber rating.

Table 2: Rating of the Program's Progress towards Australia's Aid Objectives

Objective	Previous Rating	Current Rating
Increased private sector development	Green	Green
Improved human development	Green	Amber
Tropical Cyclone Winston Response	n/a	Green

Green: progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Amber: progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

Red: progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

OBJECTIVE 1 – INCREASED PRIVATE SECTOR DEVELOPMENT

Australia's investments in private sector development in Fiji work on two levels. At the policy/regulatory level, Australia supports a range of structural and regulatory reforms that have been prioritised by the Fiji Government. We do this by investing in 'governance for growth' focused programs that are designed to strengthen economic and trade policies and regulations. They also seek to advance broader public sector reforms to improve performance and accountability. Through these programs we are improving the enabling environment for the private sector, providing greater certainty and clarity of regulation so that business can invest more and increasing access to low-cost inputs through more competitive markets. At a micro level we work directly with business and industry groups to stimulate investment, trade and create economic opportunities for the poor, particularly in the tourism, agriculture and agri-business sectors.

Australia has five aid investments contributing to these priorities: the Institutional Partnerships Program (IPP), the Market Development Facility (MDF), the Pacific Financial Inclusion Program (PFIP), the Pacific Horticulture and Agricultural Market Access (PHAMA) program and the Private Sector Development Initiative (PSDI).


Progress against this objective is rated green based on the performance of our aid investments and strengthened relationships with the Government of Fiji. However, there are an increasing number of development partners operating in this sector, creating a risk of overlapping activities and burdening government and non-government stakeholders. We will give consideration to how donor coordination in the sector can be improved in 2016-17 (as outlined in the Management Response below).

Governance for growth

In 2015-16, Australia continued to work with the Government of Fiji to improve its economic and trade policies, business enabling environment and to strengthen democratic processes and institutions. We have two programs in this sector: IPP (\$16 million, 2014-18) and PSDI (\$34 million in the Pacific region, 2013-19).

Improved business enabling environment

Improving the productivity, efficiency and financial performance of State Owned Enterprises (SOE) is a priority of the Government of Fiji. In 2015-16, through PSDI, we supported Fiji's Ministry of Public Enterprises to develop policy and legislation around SOEs. We also provided strategic advice on major



pending privatisations including Fiji Airports Limited and the Fiji Electricity Authority. Given the Government's ambitious SOE reform agenda, we expect PSDI to increase its support in this area in 2016-17.

As part of our effort to expand financial services for the poor, PSDI assisted with the drafting of a secured transaction law which will go to Parliament in 2016-17. The planned reform will allow borrowers to use a broader range of collateral (rather than just land) to secure loans. This will increase access to finance for people in customary land ownership settings, and for women who may not be listed on land titles.

In 2015-16, we developed new partnerships with a number of government agencies through the IPP. At the Government of Fiji's request, we provided technical assistance to the Ministry of Economy to reform public procurement policies to allow for a more transparent and competitive environment for private companies to compete for government contracts. This will benefit the private sector, and should also result in improved value for money for public expenditure. We also provided technical support to the Ministry for Industry, Trade and Tourism to conduct needs assessments and planning for the Department of Trade Measurement and Standards – work which we expect to continue in 2016-17 and will support Fiji to meet its international trade obligations. Our support for the Fiji Commerce Commission to attend Australia-based training in competition law and economics is now helping the Commission to encourage fair competition, discourage restrictive trade practices, and enhance consumer protection.

Improved civil service performance and accountable and inclusive politics

Australia supported Fiji's Civil Service Reform Management Unit (CSRMU) to assist government ministries to implement newly devolved powers which seek to drive improved performance; reorient central agencies' roles and functions; and increase technological innovation to advance the responsiveness, efficiency, and accessibility of government. Our support has included strategic institutional reform analysis, options papers and guideline documents through a World Bank implemented project. We have also provided training to Government officials through bilateral technical support and a partnership with the Australian Public Service Commission, as well as capacity building of CSRMU staff through the Australian Civilian Corps.

Results in 2015-16 have included the design and implementation of an induction and leadership program for the newly recruited Permanent Secretaries; the conduct of several Ministry institutional reviews to inform restructures; the roll out of Merit Recruitment policy guidelines across all government departments; and a compensation benchmarking survey to inform government's pay policy and employment conditions.

Another priority of the governance program is supporting the connection between state and citizenry, particularly under the new single constituency electoral system. In 2015-16, Australia continued to support the move towards more accountable and inclusive politics through the United Nations Development Program (UNDP) Parliamentary Project⁸ and the Australian/Victorian State parliament twinning arrangement. Through this support, we have assisted in building the capacity of the Fiji Parliament's ICT specialists, Hansard, public outreach, committee and legislative service staff. This support has resulted in a strengthened Fiji Parliament Secretariat gaining the trust of MPs and providing information on the Government's website. It has also allowed the Secretariat to hold public events such as the well-attended quarterly Speaker's Debates

In 2015-16, Australia's electoral administration assistance focused on the Fiji Elections Office's planning and knowledge management capabilities; capacity building for the Operations department; and staff training through BRIDGE⁹ workshops. Australia's electoral assistance was delivered by technical advisors, the Australian Electoral Commission and the Pacific Islands, Australia and New Zealand Electoral Administrators Network. Other support to Fiji's accountability institutions includes a twinning arrangement between the Tasmanian Audit Office and Fiji's Office of the Auditor General.

⁸ <http://www.parliament.gov.fj/News/Fiji-Parliament-receives-new-library-resources.aspx>

⁹ www.bridge-project.org "BRIDGE stands for Building Resources in Democracy, Governance and Elections. It is a modular professional development program with a particular focus on electoral processes."



Stimulate investment, trade and economic activity to increase incomes of the poor

In 2015-16, the Market Development Facility (MDF) provided advisory services and seed financing to businesses that have a demonstrated impact on employment and incomes for low-income communities. By June 2016, MDF forged 32 active partnerships across the horticulture and agro-export, tourism and export processing sectors. Through these partnerships, \$3.4 million was leveraged in private sector investment and 191 full-time jobs were created for poor men (83) and women (108). A sample of activities MDF has undertaken in 2015-16 includes:

- partnering with local business KK's Hardware to break the monopolistic seed market in Fiji by introducing new seed varieties that are better suited and more profitable for farmers;
- working with 27 tourism businesses in Rakiraki and Kadavu to set up a dedicated destination marketing organisation to promote tourism to less visited destinations;
- signing Memorandums of Understanding with six hotels to develop Fiji-inspired menus to reduce food imports and generate economic opportunities for local suppliers; and
- partnering with the Fiji Export Council to review the outdated Duty Suspension Scheme that was a cost burden to exporters. The Scheme was repealed in the 2016 National Budget Announcement.

Australia's contribution to improving Fiji's trade competitiveness currently focuses on the agricultural sector. Key priorities in 2015-16 was to help farmers and wholesalers meet the phytosanitary, labelling and safety requirements of external trading partners; improve the quality of export products to meet market demand in foreign countries; and identify new export markets. Our support in this area is primarily through the PHAMA program - a nine-year Pacific regional program that provides assistance to help meet regulatory requirements associated with exporting primary agricultural products. For example, Australian supermarkets increasingly require suppliers to achieve Hazard Analysis and Critical Control Point standards for food safety. Through PHAMA's efforts, these standards were met and accreditation was granted for another three of Fiji's largest fresh produce exporters, bringing the total of accredited processors and exporters to five. Through a public-private partnership (the Yaqona Task Force), PHAMA assisted with the identification of kava varieties grown in Fiji and developed guidelines to improve export quality.

In 2015, the Pacific Financial Inclusion Program (PFIP) supported the Fiji Bureau of Statistics and the Reserve Bank of Fiji to conduct a Financial Services Demand-side Survey. The survey found that although Fiji had a high level of formal inclusion compared to other Pacific countries, 27 per cent of survey respondents remained financially excluded.¹⁰ To address this, in 2015-16 Australia focused on promoting the use of innovative technology (for instance mobile phone banking) to expand the reach of financial services to rural and remote parts of Fiji. By December 2015 PFIP had reached 34,383 new low-income clients through projects with Digicel Fiji and KlickEx. The forthcoming secured transaction law will also contribute to improving access to finance.


PFIP is also improving the financial literacy of school students contributing to their ability to productively save, invest and participate in markets. In 2015-16, 1,124 teachers across Fiji were trained to deliver a Financial Education Program, and almost 200,000 school students have now participated in the program, helping them to gain an early understanding of concepts of budgeting, saving and borrowing.

OBJECTIVE 2 – IMPROVED HUMAN DEVELOPMENT

Australia is working to ensure the benefits of economic growth are shared by all in Fiji through increased access to quality health and education services. Good quality and accessible education and health services are high priorities for the Government of Fiji, and Australia has maintained its position as a key donor in these sectors. Our focus is particularly on disadvantaged segments of the population, including the rural poor, women and people living with disabilities.

Progress against this objective is rated amber. In their fifth and sixth years of operation, the education and health sector programs have performed strongly, although there have been some setbacks as a result of TC

¹⁰ Financial Services Demand Side Survey: Republic of Fiji, Reserve Bank of Fiji, 2015.



Winston. Some of the outcomes we expected to achieve, particularly in our education program, were simply not possible in an environment where almost one half (or 500) schools were partially or completely destroyed, and thousands of teachers and students were severely impacted.

Nevertheless, over time, the aid program's flexibility and strong people-to-people links through civil society engagement and scholarships, Australian volunteers, the New Colombo Plan and the seasonal worker program allowed individual programs to adapt to the post-cyclone environment and minimise the disruption to the achievement of expected outcomes.

Improved access to quality education

The education sector continues to undergo significant change, primarily driven by the fast-paced reform agenda the Fiji Ministry for Education (MoE) set out in its 2016-20 Education Sector Strategic Development Plan. In recent years, the MoE has focused on improving the quality of education through the introduction of a new national curriculum and strengthening its literacy and numeracy capabilities.

The focus of Australia's assistance is working with the MoE to provide targeted support to 85 schools (equivalent to 10 per cent of all primary and secondary schools in Fiji) operating in remote and/or socially disadvantaged communities. We deliver our assistance through the \$58 million Access to Quality Education Program (AQEP) which is being implemented from 2011-2018. Despite the unexpected disruption caused by TC Winston, AQEP is still on track to meet many end of program outcomes.¹¹

The program performed well in increasing access to and improving the quality of education across the 85 AQEP schools.

The improvement in the quality of education is demonstrated by the proportion of AQEP Year 4 students from poor communities in 2015 who performed above the national average in numeracy (54 per cent) and literacy (50 per cent) assessments; compared with 37 per cent for literacy and 39 per cent for numeracy in 2012. Across AQEP schools, girls continue to outperform boys. Thirty per cent of boys in Year 4 are in the bottom quartile for literacy compared to 19 per cent of girls, and there is a similarly wide gap in numeracy (27 per cent of boys and 20 per cent of girls). A study to be conducted in 2016-17 will analyse the causes of this disparity in greater detail.


AQEP is finding it challenging to improve the academic performance of its more remote schools where a higher proportion of Year 4 students (27 per cent) are in the bottom quartile of the 2015 literacy assessment. This compares to 22 per cent in urban schools. The results are similar for the numeracy assessment. Addressing the challenges faced in the very remote school settings will be a priority for the next phase of the education program.

Since 2011, 100 children with a disability (65 boys and 35 girls) were enrolled in the five Inclusive Education Demonstration Schools, of which 74 were supported to sit for national literacy and numeracy assessments. Twelve students have since transitioned to secondary, vocational or other schools in 2016.

Early in 2016, before TC Winston, the attendance rate in AQEP schools was 93 per cent, up from 88 per cent in 2014 due to greater incentives to stay in school through improved teaching methods and better facilities. The AQEP responded immediately to TC Winston, visiting AQEP schools and releasing emergency grants so that affected schools could institute school feeding programs to restore attendance quickly. While it is still too early to know the impact of TC Winston on learning outcomes, there are reports of flagging attendance rates in affected areas where some classes are still held in tents, in mixed grade groups and with limited resources.

The program also made good progress in improving school infrastructure in AQEP schools completing rehabilitation work in 13 schools; unfortunately, 43 out of 85 AQEP schools were later damaged or destroyed by TC Winston. AQEP will be repairing or rebuilding over 30 AQEP schools, with the Government of Fiji rehabilitating the others.

¹¹ AQEP six-month report, January – June 2016



All AQEP schools have developed school improvement plans, which will require additional revenue to support these activities after AQEP completes. Income-generating activities, such as school gardens, bee-keeping and leasing school halls for community events have commenced in 62 per cent of AQEP schools and support has been provided to review MoE policies on school establishment and infrastructure minimum standards.

The program continued to support the MoE to monitor the performance of all primary and secondary schools in Fiji through the roll out of the Fiji Education Management Information System (FEMIS). Prior to the introduction of FEMIS, the MoE had three separate databases for school/student information, staffing appointments and literacy and numeracy assessments. FEMIS unified these three databases into a single web-based data source, which is capable of directly generating reports. AQEP worked with the MoE to train 1,275 heads of school and administrators to use FEMIS. In 2015-16 FEMIS was also used for the first time to distribute standard examination papers to schools with internet connectivity, significantly reducing the printing and dispatching workload.

A significant challenge for AQEP is sustainability and ensuring that the MoE has the capacity and funding to assume responsibility for delivering these activities to AQEP schools and non-AQEP schools over the long-term. Sustainability thinking and planning has been a key focus during 2015-16 and progress was made to set up structures and processes for discussing and addressing this issue (for instance AQEP has developed a Sustainability Framework and established a Sustainability Steering Committee which is chaired by the Ministry of Education and Ministry of Economy). The priority for 2016-17 and beyond is to articulate the Framework into a concrete plan of activities which sets out which AQEP activities will be phased over to MoE.

As AQEP is concluding in June 2018, a new education program will be designed in 2017 with continued support to the MoE, in line with priority areas agreed with the Sustainability Committee.

Improved health outcomes


Australia is the lead donor to the Fiji health sector, accounting for 65 per cent of total donor funding. The health budget has increased significantly in recent years from FJD137 million in 2011 to FJD269 million in 2015.¹² Despite this, Fiji allocates only 8 per cent of its national budget to health which is lower than other Pacific countries whose allocations range between 12 and 17 per cent.

However, our Fiji Health Sector Strengthening Program (FHSSP) valued at \$33 million (2011-17) represents just three per cent of the national health budget. For this reason, the scope of the FHSSP remains tightly focused on five priority areas which correspond to the Ministry of Health and Medical Services (MoHMS) Strategic Plan (see below for details).

An End of Program Evaluation (June 2016) concluded that the FHSSP effectively delivered its planned activities, and its early and strategic approach to sustainability will ensure key activities will continue to be implemented beyond the end of the program. However, the evaluation noted the FHSSP generally lacks outcome and impact data on most of its interventions, making it difficult to assess program impact. For example, the impact of the introduction of new vaccines is difficult to measure within the program period as it will take more time to see these health trends.

The FHSSP was initially impacted by TC Winston, with program and MoHMS staff temporarily diverted from core activities to assist with the emergency response. Utilising a built-in contingency fund, the FHSSP was able to provide emergency relief to help the MOHMS. This included additional health staff to undertake disease surveillance, transport for additional outreach activities, fuel for generators at hospitals following power outages, and extra warehousing to safely store medical donations. The FHSSP also established three temporary health facilities at sites where health facilities were completely destroyed.

¹² Data from the 2012 and 2016 Budget papers.



Despite this, overall the impact of TC Winston on the broader health program was largely contained; UNICEF helped to maintain the vaccine cold chain, health staff responded quickly to patients presenting at health clinics, and health infrastructure did not suffer nearly the same level of damage as did the schools. Set to wind down in March 2016, the program has been extended until mid-2017 to implement the rebuilding efforts of health facilities damaged by TC Winston and support ongoing health surveillance.

Elsewhere in the program, the FHSSP Mother Safe Hospital Initiative contributed to a reduction in maternal and infant mortality rates. At its commencement, the FHSSP worked with MoHMS to establish a set of Safe Motherhood National Standards which set out staffing, equipment and service standards for all hospitals providing ante-natal and post-natal care. Six hospitals (which account for 85 per cent of all births in Fiji) were audited against these standards which revealed three hospitals were performing very well (achieving ratings of 83-92 per cent) and the remaining three required improvement (50-60 per cent ratings). Focus on improving ante-natal care has now become a standard quality assurance activity undertaken by the Maternal Health Clinical Services Network. At the start of the program, there was no reporting on mothers attending ante-natal counselling in their first trimester, compared to 30 per cent attending by the end of 2015.¹³

Through the FHSSP Healthy Child Initiative, the provision of pneumococcal and rotavirus vaccines, through a cost-sharing arrangement with the MoHMS, has been very successful. Under this initiative, Australia provided financial support of over \$4 million progressively expended over three years on a reducing ratio, and assisted with the procurement of the vaccines working closely with the Fiji Pharmaceuticals and Biomedical Services procurement team. This ensured that the vaccines were available and implemented through the MoHMS' Expanded Program for Immunisation and helped Fiji maintain high immunisation rates of over 90 per cent. Although the full impact of the vaccines will manifest over future years, a study by the Murdoch Children's Research Institute found that the vaccines are already preventing pneumonia, pneumococcal sepsis and meningitis, along with a reduction in diarrhoea admissions to hospitals.¹⁴ From 2016, the MoHMS has taken on 100 per cent of funding for vaccine procurement.


The prevention and management of Non Communicable Diseases (including cervical cancer) initiative is helping the MoHMS to reach its national diabetes screening target of 25 per cent. By the end of 2015, 19 per cent of adults aged over 30 had been tested for diabetes and heart disease. The FHSSP supported the development of the foot care manual and the accompanying training on diabetic foot care is having an impact in preventing amputations. In 2015-16 the FHSSP handed over responsibility to the MoHMS for delivering the HPV vaccine to prevent cervical cancer, and 95 per cent of Class 8 girls received the vaccine in 2015, up from 87 per cent in 2013.

In 2015-16, the FHSSP made good progress in revitalising Fiji's Community Health Workers (CHW) network. Volunteer CHWs have long been a valuable part of villages in Fiji. In recognition of their important role in providing basic health advice and care, the MoHMS, with support from FHSSP, made progress in 2015-16 in establishing a formal CHW network which enables better training, equipment and supplies to be provided to the 1,800 registered workers. The CHW Policy was released in November 2015 and throughout 2015-16, training was provided to registered workers. There are four training modules: Core Competencies; Safe Motherhood; Child Health and Wellness. Most workers (92 per cent) have completed the Core Competencies training and 50 per cent have undertaken the other three modules. CHWs are particularly effective in the rural and peri-urban areas and were relied on to assist in mobilising communities before and after TC Winston.

The FHSSP's health system strengthening component has improved the capability of Fiji's Health Information Unit and increased the availability of quality health information. Support to monitoring and evaluation has helped to improve the coherence and quality of indicators used in the corporate planning process. Support to workforce planning and development has also been effective, resulting in the development of a workforce

¹³ Fiji Health Sector Support Program Progress Report July to December 2015

¹⁴ Murdoch Children's Research Institute; Saving lives of the children in Fiji through the introduction of new vaccines; June 2016



audit, a workforce plan and a 10-year health workforce projection. The 10-year workforce projection received Cabinet endorsement in 2014 and contributed to the Government of Fiji's commitment to increase the intake of nurses and doctors in 2016 to 200 and 150, respectively.

We will start a new five-year health sector support program in 2017, which will be aligned to Fiji's National Health Strategic Plan.

Building resilience and economic opportunities in disadvantaged communities

The Fiji Community Development Program (FCDP) delivers social and economic benefits to the poor, vulnerable and excluded communities in Fiji through providing grants and advisory services to civil society organisations (CSOs). The FCDP delivered on its planned objectives for 2015-16 and was also significantly engaged in Australia's response to TC Winston.

In 2015-16, FCDP managed 59 grants covering community development planning, health, food security, livelihoods and environment, climate change and disaster response. Nine communities and 1,637 people benefitted from 15 new livelihoods activities, such as a women's poultry farm and a copra drying initiative which is now an alternative livelihood source for two villages in Cakaudrove.

The FCDP also provided training and mentoring support to 70 CSOs in the areas of inclusive community planning and development, gender equity and social inclusion, communications, monitoring and evaluation, financial management and disaster risk management. Ra Naari Parishad, a rural women's organisation, successfully secured funding from DFAT's Pacific Women Shaping Pacific Development Program as a result of improving its financial management system and community engagement practices.

The FCDP was a valuable partner in Australia's response to TC Winston, dispersing emergency grants worth FJD2.11 million to 11 CSOs working in affected areas. As a result, 92,355 beneficiaries in 576 hard-hit communities were reached, and 13,120 people benefited from emergency repairs to their water supply systems, 8,000 benefited from shelter relief kits and 4,062 benefited from clinic outreaches in the Western division. Over 26,800 people also received vegetable seeds to complement their food sources.

Opportunities remain to strengthen links between CSOs and the Government of Fiji. Australia will develop a Civil Society Engagement Strategy to articulate its engagement with CSOs (refer Management Response).

People-to-people links

The number of Australian students studying and undertaking work placements in Fiji under the New Colombo Plan increased from 30 in 2015 to over 100 in 2016. There was also an increase from three mobility projects from two Australian universities in 2015 to nine projects from eight Australian universities in 2016. Fields of study include pharmacy, information technology, nursing and entrepreneurship.

In 2015-16, we supported 110 Australian Volunteers for International Development who worked with 60 organisations from across the public, private and civil society sectors. Highlights of volunteers' achievements include assisting the MoE to introduce standardised student profiles and individualised education plans that will improve learning outcomes for children with disabilities in all 17 special education schools in Fiji. Through support to the Spinal Injury Association's *Include Disability Employ this Ability* (IDEA) initiative in Fiji, five leading disabled peoples' organisations have joined forces with government, educators and employers to promote employment opportunities for people with disabilities. This has resulted in more than 40 people with disabilities finding employment in roles ranging from reception work in the tourism industry to clerical work in the local flour mill. In the aftermath of TC Winston, volunteers, supported by Australia, in leading humanitarian response organisations were also instrumental in providing vital administrative support to their local counterparts in times of stretched human resources.

In 2015-16, 114 students are on scholarships in Australia (81) and the Pacific (33). An Australia Awards Alumnus with a disability graduated from the University of Wollongong in 2014 with a Masters in Strategic Human Resources Management and now manages the Disability Support Centre at the Fiji National University. A restructure of the Scholarships program in early 2016 that resulted in regional scholarships



being managed by the Pacific Regional Education program and Fiji scholarships being managed by the Fiji Bilateral Education program has improved services for Fiji scholars. The administration, however, remains cumbersome and will be further streamlined next year to allow for more strategic programming (refer Management Response).

Fiji joined the Seasonal Worker Programme (SWP) in April 2015. Between July 2015 and March 2016, Fiji sent 154 workers to Australia which accounted for five per cent of all Pacific seasonal workers in Australia. The National Employment Center in the Ministry of Employment, Productivity and Industrial Relations (MEPIR) manages the program. Its main priority is to increase demand by building a stronger reputation and disseminating of positive stories about the quality of its workers. The MEPIR is also focused on ensuring appropriate workers are selected and Fiji benefits from the skills and remittances gained through participation in the program. The Australia Labour Mobility Assistance Program (LMAP) completed the Fiji Country Plan in March 2016, and this identifies the activities to help Fiji increase its participation in the SWP.

OBJECTIVE 3 – TROPICAL CYCLONE WINSTON RECOVERY


TC Winston, the strongest cyclone to impact Fiji, made landfall on 20-21 February 2016, causing 44 deaths and affecting up to 500,000 people. Entire communities were destroyed by winds, flooding and tidal surges, and power and communications systems were lost. The cyclone destroyed crops on a large scale and compromised the livelihoods of almost 60 per cent of Fiji's population.¹⁵ DFAT led a whole-of-government crisis response to TC Winston. The After Action Review of the Australian Government response found the systems were timely, effective and efficient, resulting in a green rating for this objective.

Australia provided Fiji with an immediate package of assistance that reached over 200,000 people and included relief supplies such as shelter, water, food, hygiene items, emergency health care and access to education. Working closely with the Government of Fiji, Australia prioritised getting children back to school as quickly as possible. In addition to assistance provided through AQEP, Australia worked with Fiji's MoE, UNICEF and Save the Children to provide temporary learning spaces and educational materials in affected areas. We also restored water and sanitation facilities, provided psychosocial support to teachers and children, and facilitated school feeding programs in affected communities. Australia also provided Psychological First Aid (PFA) to 6,049 children in the Western, Central and Northern Divisions through local NGOs Lifeline, Transcend Oceania and Empower Pacific.

Australia worked closely with Fiji's Ministry of Health and Medical Services to ensure that essential health services reached affected communities. Australian personnel were deployed within two days. A 21-person Australian Medical Assistance Team provided emergency health care to over 1,700 people in rural and remote communities. Australia helped to establish temporary health care facilities in three locations where clinics were destroyed, and provided support to re-establish cold-chain vaccination storage facilities so that life-saving vaccines continued to reach affected communities. Sixty members of DFAT's Crisis Response Team were positioned in Fiji to support the response, and DFAT stood up its crisis centre in Canberra.

Approximately 1,000 Australian Defence Force (ADF) personnel were deployed to deliver humanitarian assistance and support immediate repair work on critical infrastructure. Significant ADF assets were used under Operation FIJI ASSIST, including surveillance aircraft, seven MRH-90 helicopters, and regular C-17 and C-130 flights that delivered over 520 tonnes of humanitarian supplies and equipment. HMAS *Canberra* was deployed for its first operation loaded with engineering assets, helicopters, water purification equipment and humanitarian supplies. It was positioned off the island of Koro, where ADF engineers helped to repair schools, restore water and sanitation facilities and clear debris. The ADF deployment formally concluded its mission on 19 April 2016, coinciding with the end of Fiji's State of Natural Disaster.

¹⁵ Fiji Post Disaster Needs Assessment: Tropical Cyclone Winston; www.pfdr.org



Australia's focus on gender equality and disability inclusion featured prominently in our emergency response, as protection of the most vulnerable was paramount. Australian-funded prepositioned supplies were distributed by partners within 48 hours. Clean delivery kits provided essential supplies to enable health facilities to safely deliver babies without clean running water and electricity. Reproductive health kits were distributed, ensuring that women could maintain access to essential reproductive health supplies. Four thousand dignity kits, including clean clothing, sanitary products and torches, and three hundred baby items packs were distributed to women and children. Australia, through partners such as the United Nations Population Fund, International Planned Parenthood Foundation and Medical Services Pacific, supported health outreach teams to provide health services to pregnant and breastfeeding women. Australia also supported the establishment of "Women Friendly Spaces", where almost 2,000 women and girls received information and services related to gender-based violence, health care and psychosocial support.

Existing strong relationships with local NGOs and CSOs allowed Australia to rapidly provide grant funding to meet the humanitarian needs of the most vulnerable. To assist people with disabilities affected by TC Winston, Australia supported the Spinal Injuries Association to undertake a needs assessment, replace or repair damaged assistive devices and provide much-needed consumables. Australia assisted in topping up the Government of Fiji's social protection payments to support 72,000 people dependent on social welfare to receive additional food vouchers.

Australia invested in initiatives to promote early recovery, including: rehabilitation of water and sanitation systems in schools and communities; providing training to help communities build back homes that are safer and more resilient to disasters; and support for livelihoods such as cash-for-work programs and the distribution of seeds and farming equipment. At the request of Fiji, Australia's energy sector, through the peak body Energy Networks Association, gifted equipment (including seven trucks) and provided technical assistance to the Fiji Electricity Authority. This public-private partnership is supporting the restoration of critical electrical infrastructure to facilitate the broader recovery. A rapid assessment of early recovery initiatives supported by Australia following TC Winston found that the investments made were impressive and mature compared to other Australian disaster responses of similar magnitude.

The Government of Fiji's Post Disaster Needs Assessment (PDNA) calculates total damage and loss as a result of TC Winston at \$1.3 billion (excluding environmental costs). The hardest hit sectors were housing, agriculture and fisheries, which together with transport, manufacturing (sugar) and education, made up two thirds of overall damage and loss. The PDNA was led by the Fiji Department of Strategic Planning and supported by a range of donors including Australia (we provided three specialists in health and education, including two from the Australian Civilian Corps). Fiji is also finalising a Disaster Recovery Framework which will help to guide Australia's assistance in rebuilding Fiji.

With \$15 million already provided in emergency relief and \$4 million dispersed for longer-term recovery, our focus for 2016-17 and beyond is on supporting Fiji's recovery and reconstruction effort (with a further \$16 million committed by the Australian Government for this). Our focus will be to rebuild schools and health facilities, replace damaged medical equipment and restore water and sanitation services. We will also repair damaged markets and accommodation facilities for women vendors, which will enable farmers and market vendors to return to work. The principle of 'build back better' will underpin our efforts and assist communities to be more resilient to future natural disasters. All facilities that we rebuild under the recovery and reconstruction package will also be inclusive for people with disabilities.

Australia took a lead role in coordinating activities with the Government of Fiji, National Disaster Management Office (NDMO), relevant ministries as well as other donors and partners in the immediate response. The leadership and coordination of the Government of Fiji will be essential to ensuring longer term recovery efforts are implemented effectively by all donors. Australia will continue to encourage Fiji to strengthen coordination and communication channels to manage such a large disaster recovery process.



CROSS CUTTING ISSUES

Australia's aid program to Fiji targets three-cross cutting issues: gender, disability inclusion and disaster risk management. 2015-16 saw good progress in ensuring relevant aid investments were effectively targeting and benefitting women and people with a disability.

Our disaster risk management efforts were put to the test during TC Winston, and many of these proved fruitful in enabling an effective response, increasing resilience and supporting early recovery. Through the Australian Civilian Corps, two personnel placed in the NDMO to boost its capacity proved essential in supporting the Government of Fiji's response to TC Winston. The contingency funds built into our three largest programs (AQEP, FHSSP and FCDP) enabled us to provide rapid assistance for health and education services and to local NGOs, whose capacity to respond to disasters has been strengthened through FCDP.

The investments made by our regional Pacific Risk Resilience Program (PRRP) proved effective, such as the Food Bank established by communities in the Yasawa Islands which helped maintain food security following the cyclone. Through PRRP we also contributed FJD 45,000 to help restore food and agriculture offices and services in Fiji. PRRP's investments are embryonic in Fiji, but TC Winston has created more opportunities to strengthen risk governance in Fiji in the coming years. Similarly, we will need to enhance how disaster risk reduction (DRR) is mainstreamed across all of our programs, and support partner government Ministries to integrate DRR into their systems and processes.

After identifying the need last year for greater gender equality and focus on empowering women and girls across investments, improvements were made across all of our bilateral investments. In education, AQEP is actively promoting greater participation of women in decision making and school management. A Women in Leadership conference was held for female head teachers and school managers, who still remain underrepresented in leadership roles. In health, FHSSP is supporting the MoHMS to develop a health gender policy. In the private sector development program, Australia (through the Market Development Facility) continued its support for the garment industry's predominantly female workforce to stay in work by introducing affordable childcare. In 2015-16, PSDI undertook foundational work to identify the barriers to women's economic empowerment, launching the Women's Leadership Program in April.

Through the Pacific Women Shaping Pacific Development (Pacific Women) program in Fiji, Australia has supported initiatives that increase women's economic empowerment, strengthen women's roles in leadership and decision-making, and address gender-based violence. In general, the program demonstrated improved progress in 2015-16 compared to 2014-15, particularly in terms of addressing gender-based violence and supporting women's leadership. For instance, in 2015 new partnerships were signed with faith based organisations, House of Sarah and Pacific Conference of Churches, which involve trialling innovative approaches aimed at increasing women's leadership in the Anglican clergy and addressing gender based violence within the church community. Through Pacific Women, the Fiji Ministry of Women, Children and Poverty Alleviation has received support to implement the new National Gender Policy. This will improve the environment for gender equality while ensuring the immediate needs of women at the community level are met. Mixed progress was made in supporting women's economic empowerment, and we recognise the need to do more in 2016-17 to support women in business. However, there was isolated success in establishing a new partnership with the South Pacific Academy of Beauty Therapy which resulted in 24 women from low socio-economic backgrounds receiving a qualification in spa and beauty therapy. The Academy ensured employment placements for women before graduation.

In 2015-16 Australia increased its engagement with Fiji's Disabled People's Organisations to ensure people living with disabilities can benefit from development initiatives. For the first time, the Disability Empowerment Skills Exchange Program enabled five Australian volunteers with disabilities to provide capacity development support to a number of disabled people's organisations in Fiji.¹⁶ Australia's FCDP also

¹⁶ <http://www.abc.net.au/news/2016-06-29/pilot-program-to-empower-young-fijian-women-with/7552476>; <http://www.abc.net.au/news/2016-07-22/disability-empowerment-project-for-young-fijian/7651676>

displays a strong gender and disability inclusion focus in all activities and reporting. This enables us to track women and men's participation and access to training, income generating activities, and health and education services. Through FCDP grant funding to the Fiji Society for the Blind, 14,720 people (7,493 males and 7,227 females) undertook eye screening, leading to 2,713 referrals to the eye department and the distribution of 350 low vision devices/aids. Grants to the Medical Services Pacific outreach team allowed for provision of home-based services to people living with disabilities. Water, sanitation and hygiene projects implemented by Habitat for Humanity ensured that appropriate water taps were installed at accessible places for people living with a disability. This work helps those with a disability live more independent and meaningful lives.

PERFORMANCE BENCHMARKS

Table: Performance Benchmarks 2016-17 to 2018-19

	2016-17	2017-18	2018-19
Increased private sector development			
New formal sector jobs created for the poor	260	<i>to be determined</i>	<i>to be determined</i>
Aid budget allocated to aid-for-trade initiatives.	15 per cent	<i>16 per cent</i>	<i>17 per cent</i>
Improved human development			
Reduction in the percentage of students in the Access to Quality Education program targeted schools achieving in the national bottom quartiles in Class 4 literacy and numeracy assessments.	Reduction to below 25 per cent (from around 30 per cent in 2012)	<i>to be determined in new education program design</i>	<i>to be determined in new education program design</i>
Reduction in common childhood illnesses resulting from introduction of rotavirus and pneumococcal vaccines	Reduction from 2011 levels	<i>to be determined based on ongoing analysis of hospital data</i>	<i>to be determined based on ongoing analysis of hospital data</i>
10 per cent or more of the Fiji Bilateral Program allocated to gender equality or disability inclusion initiatives	10 per cent	10 per cent	10 per cent

MUTUAL OBLIGATIONS

In 2015-16, the Australian aid program continued to operate in Fiji in the absence of a formal aid partnership agreement with the Government of Fiji. As such there were no mutual obligations to report on. Australian assistance is, however, responsive and aligned to Fiji's own national priorities.

Australian assistance continued in areas consistent with Fiji's development priorities including health, education and disability, all of which received significant boosts in Fiji's latest national budget. These are areas where Australia continues to be a long-standing partner, and where annual work plans and budgets were developed with, and approved by, the relevant Fiji Ministries.

Australia's support also continued to align with Fiji's National Gender Policy launched in 2014. It focuses on the promotion of women's human rights and gender mainstreaming across development planning and decision making processes within government as well as addressing structural and social barriers.

In 2015-16, Fiji commenced developing its own five-year and 20-year National Development Plans. We welcomed this development as it should build common understanding of the government's priorities and the contributions expected from donors, the private sector and CSOs. Australia has provided technical assistance, through the Asian Development Bank, to support this process. The release of these plans is now scheduled for the second half of 2016. Once the plans are released, discussions will begin with a view to concluding an Aid Partnership that includes a set of obligations for Australia and Fiji.



PROGRAM QUALITY AND PARTNER PERFORMANCE

The Fiji program is not monitored at a country program level through an overarching program assessment framework. Each initiative in the Fiji program has a monitoring and evaluation framework and is monitored at that level. Following the agreement of an Aid Partnership with Fiji, a program assessment framework will be developed to monitor outcomes, mutual obligations and benchmarks against whole-of-program objectives (refer Management Response). Completed and planned evaluations are listed at **Annex C**.

A priority for the aid program is the establishment of the Fiji Program Support Facility (the Facility), expected to be in place late 2016. The Facility will manage a number of bilateral programs to achieve greater coherence across programs, as well as more effective engagement with civil society and treatment of gender and disability inclusiveness. The Facility will also institute more efficient administrative, contracting and management processes to afford DFAT aid staff more time to focus on relationship management, strategic policy issues, monitoring and evaluation, and improve knowledge sharing and actions on lessons learned.

Analysis of Aid Quality Checks

Six aid programs completed Aid Quality Checks (AQC) for 2015 (a summary is at **Annex D**). All AQCs were completed by senior program managers and ratings agreed through an independently moderated detailed discussion with the bilateral development team. All six programs were rated as highly relevant with risks being managed effectively. Overall, the sustainability of programs was high, aside from AQEP and FCDP which rated as adequate. A significant challenge for AQEP regarding sustainability will be translating program successes into broader lessons to inform the approach of non-AQEP supported schools. Complicating this is the current pace of education reform in Fiji which is putting pressure on schools to cope with a multitude of changes, such as the introduction of new textbooks and curricula and the requirement to cover new material in a shortened timeframe.

After identifying the need last year for greater gender equality and focus on empowering women and girls across investments, improvements were shown across the program (refer Cross Cutting section). However, more effort is still needed to obtain sex disaggregated data consistently across all programs.

The AQC for the Fiji Scholarships Program identified that the management arrangements remain overly resource intensive. In response, the scholarships management team was restructured, but we are yet to see if these changes will lead to efficiency gains so hence this program was still rated as requiring improvement in 2015-16 in terms of efficiency.

Performance of key delivery partners

The majority of bilateral development assistance in Fiji is delivered by six implementing partners who work in close coordination with relevant government ministries. Implementing project partners this reporting period include Palladium (AQEP), Abt JTA (FHSSP), Cardno Emerging Markets (MDF), Coffey International (FCDP) and Conciliation Resources (Governance) as well as NGOs such as the Fiji Women's Crisis Centre, Medical Services Pacific and Empower Pacific. These partners are annually evaluated through the Partner Performance Assessment tool. These assessments detail how programs deliver lasting results, value for money, collaboration, communication and responsiveness, policy alignment, risk management and innovation, and effective partner personnel.

Most implementing partners scored 'very good' or 'excellent' for all categories (fifth and sixth on a six point scale), while a few rated 'adequate' (fourth) on value for money, collaboration and communication and effective personnel. This is due in part to the new and diverse nature of specific programs and shifts in organisational capacity of our partners. Efforts are underway to work with particular partners to improve performance in these areas.

The current bilateral program works in close coordination with Fiji ministries, agencies and multilateral organisations. The most significant of these multilateral partners are the World Bank and ADB. DFAT also worked through other organisations with expertise in specific sectors such as UNICEF and the World Food

Program following TC Winston. Established networks and regular dialogue with these partners ensured effective communication, shared objectives and positive results across the bilateral program.

As program contracts come to their natural conclusion, and to increase efficiencies, new programs may be implemented by a Fiji Program Support Facility. This Facility will consolidate the administration and delivery of some of our aid investments under a single service provider. Future engagement with Fiji may also include using partner government systems where development priorities align, capacity is sufficient and risks are manageable. In 2016-17, we will commence discussions with the Government of Fiji regarding conducting an Assessment of National Systems which would provide the basis for an increasing share of aid managed by the Government of Fiji (refer Management consequences).

RISKS

Table 4: Management of Key Risks to Achieving Objectives

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?	For emerging/ongoing risks provide a Risk Rating (low, medium, high, very high)
Australian aid is not aligned to Fiji Government development priorities.	Active and ongoing engagement with the Fiji Government on key sectors	An Aid Partnership will be developed and agreed in consultation with the Fiji Government	Medium
Delays in TC Winston rebuilding and sub-standard rebuilding practices.	Active dialogue with the Government of Fiji and other partners, technical assistance provided.	Active engagement with Government of Fiji and other partners to develop shared agreement on standards and timeframes.	High
Future national disasters hamper recovery efforts.	Fiji involvement in DFAT's Disaster Risk Resilience Program.	Australian investments will focus on building back better following TC Winston.	Medium
Fiji Program Support Facility implementation delays	Careful planning and contingency options assessed to respond to delays in design, contracting and implementation	Contingency plans for individual programs are in place should the implementation of the Facility be delayed.	Low

MANAGEMENT RESPONSES

Progress on management responses identified in the 2014-15 APPR has been mixed (refer Annex A for detail). We made good progress in implementing the recommendations to better address gender equality and disability inclusion across the aid program in 2015-16.

However, our swift and comprehensive response to TC Winston was resource intensive across DFAT and particularly the Australian High Commission in Suva. The Government of Fiji also redirected resources to coordinate the humanitarian response. Accordingly, some activities were delayed, such as the development of the Aid Partnership and Performance Assessment Framework.

The following management responses are for the forthcoming 12 months:

1. Effective and timely delivery of Australia's additional aid to the long term reconstruction of **TC Winston**: \$16 million over 2016-17 and 2017-18.
2. Develop an **Aid Partnership** with the Government of Fiji after the forthcoming National Development Plans are released.
3. Using the Aid Partnership as a basis, develop a whole-of-program **Performance Assessment Framework** to monitor the bilateral aid program as well as selected key regional programs.

- 
4. Timely establishment of the **Fiji Program Support Facility** and clarity of new roles and responsibilities among Australian High Commission staff, the Facility, the Government of Fiji and other stakeholders.
 5. Transfer the **scholarships** administration to the Fiji Program Support Facility to enable DFAT to manage strategic directions for the program.
 6. Improve **coordination** among development partners in the private sector development sector to ensure complementarity of assistance.
 7. Pending **PACER Plus** negotiating outcomes, ensure our private sector development programs support Fiji to meet PACER Plus requirements and benefit from the opportunities it presents.
 8. Commence discussions with the Government of Fiji regarding conducting an **Assessment of National Systems**, a due diligence process to examine public financial management systems that will enable the aid program to increasingly use government systems.
 9. Develop a **Civil Society Engagement Strategy** to further articulate Australia's engagement with CSOs.
 10. Identify possible **climate change and resilience activities** for future funding and begin mainstreaming climate change and disaster risk resilience into development activities with assistance from the new Support Unit once it has been initiated.

ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

Describe progress made against management responses in 2014-15 report

Management responses identified in 2014-15 APPR	Rating	Progress made in 2015-16
Australia will work closely with the Government of Fiji to develop an Aid Partnership outlining timeframes, targets and mutual obligations.	Not Achieved	The Government of Fiji has delayed the release of its National Development Plan. Discussions on an Aid Partnership will begin when the National Development Plan is released.
To ensure efficiency in implementation, Australia will develop a program support facility that can support multiple programs, use existing facilities and mechanisms where possible and explore using partner country systems where feasible.	Partly Achieved	The Fiji Program Support Facility has been designed and is out to tender, but this process was delayed due to the TC Winston response. The Facility will be established in 2016-17.
Australia will continue to encourage greater development partner coordination by the Fiji Government and ensure that collaboration with other development partners is a key feature of all programs. Australia will play a leading role in ensuring strong donor coordination and cooperation where appropriate.	Partly Achieved	Australia and other donors continue to encourage greater development partner coordination by the Government of Fiji. Australia participates in all donor coordination fora run at sectoral levels. Australia also leads in facilitating informal donor partner information-sharing.
Australia will continue to work closely with the education sector and support the Ministry of Education through this period of major shifts in policy and personnel. AQEP will develop a sustainability strategy to ensure that its investments are designed to have lasting impacts.	Achieved	Sustainability planning has been a priority of AQEP, with recent income-generating activities commenced in 62 per cent of AQEP schools, strengthening awareness of MoE policy and practices. A Sustainability Steering Committee has also been established with the MoE to phase-over responsibilities and ownership of AQEP best practices and extend to non-AQEP schools.
Australia will improve the efficiency of the Australia Awards Scholarships in Fiji and the Australia Awards Pacific Scholarships by outsourcing scholarships administration to a contractor and focusing staff resources on strategic aid management.	Partly Achieved	A restructure of the Scholarships Program in early 2016 to separate management of scholarships to bilateral and regional teams resulted in improved support services for Fiji scholars and alumni. The administration of the AAS and AAPS will move to the Fiji Program Support Facility in 2016-17.
Australia will improve its engagements with Disabled Peoples Organisations to ensure more effective disability inclusion across all programs in Fiji.	Achieved	Through FCDP multiple grants have been issued to Disabled Peoples Organisations and local CSOs to contribute to people living with disabilities leading more independent and meaningful lives. Twenty-three CSOs have also received training and mentoring to strengthen organisational practices and deliver disability inclusive development and reporting.
Australia will ensure that the Pacific Women Fiji program is effective by updating the Fiji Country Plan, designing a robust monitoring and evaluation framework and drawing on the services provided by the Pacific Women Support Unit to enable timely implementation and achievement of results.	Achieved	Utilising the services of the Pacific Women Support Unit, a monitoring and evaluation framework was developed in 2015. The Fiji Country plan was updated in 2016 to reflect engagement with the Fiji Ministry of Women, Children and Poverty Alleviation and support the implementation of the Fiji National Gender Policy. The Fiji Country plan and monitoring and evaluation framework articulate the strategic direction of Pacific Women and how performance will be measured.

Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

ANNEX B- PROGRESS TOWARDS PERFORMANCE BENCHMARKS IN 2015-16

Aid objective	2014-15 benchmark		Rating	Progress in 2015-16
Improved access to quality education	Reduction in the percentage of students in the Access to Quality Education Program (AQEP) targeted schools achieving in the national bottom quartile in Class 4 literacy and numeracy assessments.	Reduction to 50 per cent (from approx. 66 per cent)	Achieved	The proportion of students in Class 4 in AQEP supported schools in the bottom quartile for the national Literacy and Numeracy Assessment (LANA) literacy achievement has decreased to 21.4 per cent in 2015 (from 32.2 per cent in 2012); and to 20.9 per cent in 2015 (from 28.9 per cent in 2012) for numeracy achievement.
Improved health outcomes	Reduction in common childhood illnesses resulting from introduction of rotavirus and pneumococcal vaccines	Reduction from 2011 levels	Partly achieved	Although full impact of the vaccines will manifest over future years, a study by the Murdoch Children's Research Institute has found that the vaccines are showing early signs of preventing pneumonia, pneumococcal sepsis and meningitis, along with a reduction in hospital admissions for diarrhoea in children.
Increased incomes for poor households	New formal sector jobs created for the poor	260	Partly achieved	191 additional jobs (83 male and 108 female) as at 31 December 2015.
Consistent and long term funding for gender equality and disability inclusion initiatives	10 per cent or more of the Fiji bilateral program allocated to gender equality or disability inclusion initiatives	10 per cent	Achieved	Australia updated its Fiji Country Plan with a commitment of up to \$26 million over ten years and includes establishing a Fiji Women's Fund to provide tailored support for women's groups and women-led civil society organisations to expand and enhance their work on women's empowerment and gender equality. Support through FCDP, AVID, AQEP, and FHSSP and continue to assist people with disabilities, including better outreach services, improved disaggregated data collection, and increased institutional support for Disabled People's Organisations.
Improved trade capacity in Fiji	20 per cent of the Fiji program allocated to aid-for-trade initiatives by 2017-18	8 per cent	Achieved	Two aid-for-trade investments, Inclusive Economic Growth (\$2.86m) and the Pacific Financial Inclusion Programme (\$2.25m), from the Fiji bilateral program totalled 10.5 per cent of the Fiji budget allocation (at June 2016). This figure is closer to 14 per cent when removing Tropical Cyclone Winston recovery funds from the bilateral program.

Note:

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

ANNEX C- EVALUATION PLANNING

List of evaluations completed in the reporting period

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Date Published on website
INJ640 Fiji Health Sector Support Program	End of Program Evaluation	June 2016	August 2016	August 2016	To be published
INI 851 Pacific Horticulture and Agricultural Market Access	Independent Evaluation	June 2016	In progress	Comments in progress	In progress

List of program prioritised evaluations planned for the next 12 months

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
Fiji Community Development Program (FCDP)	INK130 Fiji Community Development	February 2017	April 2017	To evaluate the FCDP against its objectives, assess its implementation approach, compile lessons learnt, and provide recommendations to inform DFAT's future engagement with the civil society sector in Fiji	DFAT-led
End of Program Evaluation	INJ515 Access to Quality Education Program	September 2016	December 2016	To demonstrate results and verify performance of Access to Quality Education Program and inform new design	DFAT-led
Mid-Term Review	INI898 Pacific Financial Inclusion Program	September 2016	December 2016	The mid-term review aims to verify program performance and examine value for money. The recommendations will inform DFAT's continuity with the program beyond 2017.	Partner-led

ANNEX D- AID QUALITY CHECK RATINGS

AQC RATINGS

AQC investment performance over the previous 12 months and where available last year's AQC ratings are included.

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Community Development Program (Fiji)	\$21m 2011-17	2016 AQC	5	5	4	5	4	5	5
		2015 AQC	6	6	5	5	4	4	5
Access to Quality Education Program	\$50.5m 2010-17	2016 AQC	6	5	5	5	3	5	5
		2015 AQC	6	5	5	4	4	4	5
Fiji Health Sector Support Program	\$34m 2011-17	2016 AQC	5	4	5	5	5	3	5
		2015 AQC	5	5	5	6	6	4	6
Scholarships	\$58m 2010-21	2016 AQC	5	4	3	3	5	4	5
		2015 AQC	5	5	3	3	5	5	5
Pacific Women in Fiji	\$26.3m 2014-22	2016 AQC	5	3	4	4	4	5	5
		2015 AQC	4	3	3	3	4	4	4
Governance (Fiji Transition to Democracy including Institutional Partnerships Program)	\$5.6m	2016 AQC	6	5	5	4	5	4	5
		2012-16	5	5	5	5	5	5	5